Supplementary Estimates No. 3

2006 – 2007

Yukon
Finance

2008-03149/

ESTIMATES

SUPPLEMENTARY NO. 3

2006 - 07

Prepared by:
Department of Finance
under the direction of
Management Board

1st Session of the 32nd Legislature
Yukon Legislative Assembly
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Whitehorse, Yukon

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GLOSSARY

Accumulated Amortization	The total to date of the periodic amortization charges relating to tangible capital assets since they were placed in use.
Accumulated Surplus	The combined amount of net financial resources and non-financial assets; which is also expressed as the difference between assets and liabilities. It is the cumulative excess of revenues over expenses. Since non-financial assets, including tangible capital assets, provide resources that the Government of Yukon can use in the future to accomplish its objectives, non-financial assets form part of the accumulated surplus.
Amortization	The systematic process of allocating the cost of tangible capital assets to expense for the periods in which they provide benefits. For the purpose of tangible capital asset accounting in the Government of Yukon, amortization is calculated using the straight-line method, which reflects a constant charge for the service over the asset's estimated useful life. This term is used interchangeably with depreciation and is generally understood to mean the same thing.
Deferred Capital Contribution	A contribution or funding received from a third party for the acquisition, development, construction or betterment of a tangible capital asset. A contribution includes tangible capital assets transferred from a third party to the Government of Yukon.
Disposals	Disposals of tangible capital assets may occur by sale, destruction, loss or abandonment. Upon disposal, the net book value of the asset is removed from the accounts.
Financial Assets	Assets that could be used to discharge existing liabilities or finance future operations and are not for consumption in the normal course of operations, e.g., cash, investments, accounts receivable, loans receivable, land held for sale, etc.
Liabilities	Financial obligations to outside organizations and individuals arising as a result of past transactions and events, e.g., accounts payable, long term debt, deferred revenues, and post-employment benefits.
Net Book Value	The cost of a tangible capital asset, less both accumulated amortization and the amount of any write-down.
Net Financial Resources	The difference between financial assets and liabilities.
Non-financial Assets	Non-financial assets include tangible capital assets, prepaid expenses and inventories of supplies. These assets are resources that the Government of Yukon can use in the future to deliver government services or can be consumed in the normal course of operations.

Tangible Capital Assets	Physical assets that are acquired, constructed, or developed and: • are held for use in the production or supply of goods or delivery of services; • have useful lives extending beyond one fiscal year and are intended to be used on a continuing basis; and • are not intended for sale in the ordinary course of operations. • The major categories of tangible capital assets are: - Land - Buildings - Heavy Equipment - Operating Equipment - Vehicles - Computer hardware and software - Transportation infrastructure (including highways, bridges and airstrips) Tangible capital assets do <u>not</u> include: • assets acquired by Right, such as Crown lands, forests, water and mineral resources; • works of art, historical treasures or heritage assets; and • feasibility studies.
Tangible Capital Assets in Service	Assets currently being used in the production or supply of goods or the delivery of services.
Useful life	The estimate of the period over which a tangible capital asset is expected to be used by the Government. The useful life of a tangible capital asset, other than land, is finite and is normally the shortest of the physical, technological, commercial, and legal life. The life of a tangible capital asset may extend beyond the useful life of the tangible capital asset.
Work in Progress	Consists of construction or development of a tangible capital asset in progress that is not yet in use.
Write-down	A reduction in the cost of a tangible capital asset made when the value of future economic benefits associated with the asset is less than its net book value.

FINANCIAL SUMMARY - SURPLUS / (DEFICIT)
($000s)

	2006-07 VOTED TO DATE	SUPPLE-MENTARY NO. 3 [1]	UNDER EXPEND-ITURE/ CHANGE [1]	2006-07 REVISED VOTE
Revenues				
Taxes and General Revenues	91,564	0	7,021	98,585
Third-Party Recoveries	92,656	0	(11,168)	81,488
Recoveries from Canada	58,228	0	(4,904)	53,324
Transfers from Canada	609,580	0	135	609,715
	852,028	0	(8,916)	843,112
Less Expenditures				
Operation and Maintenance Expenditures	636,020	82	(15,904)	620,198
Capital Expenditures	230,764	0	(39,126)	191,638
Loan Interest	357	0	0	357
	867,141	82	(55,030)	812,193
Effect of change in tangible capital assets				
Plus: Acquisitions	95,826	0	(8,984)	86,842
Less: Amortization expense	(29,499)	0	(115)	(29,614)
Less: Deferred capital contributions	(44,541)	0	(3,144)	(47,685)
Plus: Amortization of deferred capital contributions	13,472	0	247	13,719
Less: Write-downs and disposals	0	0	6	6
	35,258	0	(11,990)	23,268
Adjustments				
Plus: In-year estimate of year-end lapses	26,442	0	(26,442)	0
Plus: Recoveries of prior years' expenditures	0	0	503	503
Plus: Items transferred to the balance sheet	0	0	2,215	2,215
Less: Net profit restricted funds	0	0	582	582
Surplus (Deficit) for the Year (A)	46,587	(82)	10,982	57,487
Accumulated Surplus, March 31, 2006 (B)				488,372
Accumulated Surplus, March 31, 2007 (A + B)				**545,859**

FINANCIAL SUMMARY - FINANCIAL POSITION
($000s)

	2006-07 VOTED TO DATE	CHANGE [1]	2006-07 REVISED VOTE
Net Financial Resources			
Surplus (Deficit) for the Year	46,587	10,900	57,487
Effect of change in tangible capital assets (including restricted funds)			
Less: Acquisitions	(95,826)	6,874	(88,952)
Plus: Amortization expense	29,499	3,220	32,719
Plus: Deferred capital contributions	44,541	3,143	47,684
Less: Amortization of deferred capital contributions	(13,472)	(322)	(13,794)
Plus: Gain on sale	0	99	99
Plus: Proceeds on sale	0	271	271
Plus: Write-downs and disposals	0	92	92
	(35,258)	13,377	(21,881)
Effect of change in other non-financial assets			
Less: Increase in inventories of supplies	0	182	182
Less: Increase in prepaid expenses	0	(79)	(79)
	0	103	103
Increase (decrease) in net financial resources	11,329	24,380	35,709
Net Financial Resources, March 31, 2006	99,542	0	99,542
Net Financial Resources, March 31, 2007 (A)	110,871	24,380	**135,251**
Net Non-Financial Resources			
Net opening balance, beginning of the year			388,830
Plus: Effect of change in tangible capital assets			21,881
Less: Effect of change in other non-financial assets			(103)
Net Non-Financial Resources, March 31, 2007 (B)			410,608
Accumulated Surplus, March 31, 2007 (A + B)			**545,859**

(1) The 2006-07 Supplementary Estimates No. 3 document serves two purposes: i) it details expenditure changes requiring Appropriation authority, and ii) it provides updated information on the financial position of the Government. On the Financial Summary - Surplus / (Deficit), O&M Expenditure Summary and Capital Expenditure Summary, the shaded column is referred to as "Supplementary No. 3" representing changes requiring increased Appropriation authority. On all schedules, the column "Under Expenditure/Change" represents changes due to 2006-07 activities or changes reflected in the 2006-07 Public Accounts affecting the 2006-07 financial position.

NET EXPENDITURES SUMMARY
($000s)

	2006-07 VOTED TO DATE	SUPPLE-MENTARY NO. 3	UNDER EXPEND-ITURE/ CHANGE	2006-07 REVISED VOTE
NET BUDGETARY EXPENDITURES:				
OPERATION AND MAINTENANCE:				
Gross Budgetary Expenditures	636,020	**82**	(15,904)	620,198
Less: Third-Party Recoveries	17,859	**0**	570	18,429
Less: Recoveries from Canada	39,733	**0**	(1,051)	38,682
NET O & M EXPENDITURES	578,428	**82**	(15,423)	563,087
CAPITAL:				
Gross Budgetary Expenditures	230,764	**0**	(39,126)	191,638
Less: Third-Party Recoveries	74,550	**0**	(11,834)	62,716
Less: Recoveries from Canada	18,495	**0**	(3,853)	14,642
NET CAPITAL EXPENDITURES	137,719	**0**	(23,439)	114,280
LOAN INTEREST:				
Gross Budgetary Expenditures	357	**0**	0	357
Less: Third-Party Recoveries	247	**0**	96	343
NET LOAN INTEREST	110	**0**	(96)	14
LOAN PRINCIPAL:				
Gross Expenditures	572	**0**	0	572
Less: Third-Party Recoveries	770	**0**	0	770
NET LOAN PRINCIPAL	(198)	**0**	0	(198)
LOAN CAPITAL:				
Gross Expenditures	5,000	**0**	(4,428)	572
Less: Third-Party Recoveries	5,000	**0**	(4,428)	572
NET LOAN CAPITAL	0	**0**	0	0

REVENUE SUMMARY
($000s)

	2006-07 VOTED TO DATE	CHANGE	2006-07 REVISED VOTE
TAXES AND GENERAL REVENUES [1]			
Tax Revenue	66,637	2,575	69,212
Other Revenue	24,927	4,446	29,373
TOTAL TAXES AND GENERAL REVENUES	91,564	7,021	98,585
THIRD-PARTY RECOVERIES			
Operation and Maintenance	17,859	570	18,429
Capital	74,550	(11,834)	62,716
Loan Interest	247	96	343
TOTAL RECOVERIES	92,656	(11,168)	81,488
RECOVERIES FROM CANADA			
Operation and Maintenance	39,733	(1,051)	38,682
Capital	18,495	(3,853)	14,642
TOTAL RECOVERIES	58,228	(4,904)	53,324
TRANSFERS FROM CANADA			
Grant from Canada	516,818	1	516,819
Canada Health Transfer	20,959	52	21,011
Canada Social Transfer	9,158	31	9,189
Other Health Care Transfers			
- Territorial Health Access Fund	6,333	0	6,333
- Medical Travel Fund	1,600	0	1,600
- Canada Health and Social Transfer (Prior Year)	(17)	51	34
- Health Reform Transfer (Prior Year)	1	0	1
Early Learning and Child Care Trust	619	0	619
Devolution Transfer Agreement			
- Environmental Assessment	1,542	0	1,542
Post-Secondary Infrastructure Trust	952	0	952
Public Transit Trust	855	0	855
Affordable Housing Trust	760	0	760
Northern Housing Trust	50,000	0	50,000
TOTAL TRANSFERS FROM CANADA	609,580	135	609,715
TOTAL REVENUE	852,028	(8,916)	843,112

(1) Excludes Yukon Development Corporation.

OPERATION AND MAINTENANCE
EXPENDITURE SUMMARY BY DEPARTMENT / CORPORATION
($000s)

VOTE	DEPARTMENT / CORPORATION	2006-07 VOTED TO DATE	SUPPLE-MENTARY NO. 3	UNDER EXPEND-ITURE	2006-07 REVISED VOTE
01	Yukon Legislative Assembly	4,149	**0**	(1,436)	2,713
24	Elections Office	744	**0**	(82)	662
23	Office of the Ombudsman	453	**0**	(19)	434
02	Executive Council Office	19,506	**0**	(3,062)	16,444
51	Community Services	55,143	**82**	0	55,225
07	Economic Development	6,758	**0**	(598)	6,160
03	Education	112,868	**0**	(1,053)	111,815
53	Energy, Mines and Resources	34,200	**0**	(2,873)	31,327
52	Environment	20,774	**0**	(560)	20,214
12	Finance	5,408	**0**	(141)	5,267
15	Health and Social Services	198,047	**0**	(2,058)	195,989
55	Highways and Public Works	77,031	**0**	(1,013)	76,018
08	Justice	40,381	**0**	(509)	39,872
10	Public Service Commission	31,196	**0**	(1,242)	29,954
54	Tourism and Culture	15,710	**0**	(506)	15,204
11	Women's Directorate	1,094	**0**	(79)	1,015
22	Yukon Development Corporation	one dollar	**0**	0	0
18	Yukon Housing Corporation	12,558	**0**	(673)	11,885
19	Yukon Liquor Corporation	one dollar	**0**	0	0
Total Expenditures		636,020	**82**	(15,904)	620,198

OPERATION AND MAINTENANCE
RECOVERY SUMMARY BY DEPARTMENT / CORPORATION
($000s)

VOTE	DEPARTMENT / CORPORATION	2006-07 VOTED TO DATE	CHANGE	2006-07 REVISED VOTE
01	Yukon Legislative Assembly	10	(17)	(7)
24	Elections Office	0	0	0
23	Office of the Ombudsman	0	0	0
02	Executive Council Office	4,500	(736)	3,764
51	Community Services	3,734	188	3,922
07	Economic Development	0	0	0
03	Education	4,162	64	4,226
53	Energy, Mines and Resources	8,200	(1,190)	7,010
52	Environment	1,331	(55)	1,276
12	Finance	16	47	63
15	Health and Social Services	18,888	1,402	20,290
55	Highways and Public Works	3,930	21	3,951
08	Justice	2,397	(145)	2,252
10	Public Service Commission	45	(32)	13
54	Tourism and Culture	434	(51)	383
11	Women's Directorate	0	0	0
22	Yukon Development Corporation	0	0	0
18	Yukon Housing Corporation	9,945	23	9,968
19	Yukon Liquor Corporation	0	0	0
Total Recoveries		57,592	(481)	57,111

CAPITAL
EXPENDITURE SUMMARY BY DEPARTMENT / CORPORATION
($000s)

VOTE	DEPARTMENT / CORPORATION	2006-07 VOTED TO DATE	SUPPLE-MENTARY NO. 3	UNDER EXPEND-ITURE	2006-07 REVISED VOTE
01	Yukon Legislative Assembly	40	0	(1)	39
24	Elections Office	5	0	(5)	0
23	Office of the Ombudsman	7	0	(1)	6
02	Executive Council Office	7,560	0	(278)	7,282
51	Community Services	63,261	0	(17,821)	45,440
07	Economic Development	13,224	0	(3,008)	10,216
03	Education	22,284	0	(2,128)	20,156
53	Energy, Mines and Resources	6,608	0	(920)	5,688
52	Environment	3,103	0	(721)	2,382
12	Finance	297	0	(258)	39
15	Health and Social Services	8,478	0	(2,074)	6,404
55	Highways and Public Works	83,347	0	(8,487)	74,860
08	Justice	1,600	0	(819)	781
10	Public Service Commission	94	0	(4)	90
54	Tourism and Culture	6,307	0	(500)	5,807
11	Women's Directorate	4	0	(1)	3
22	Yukon Development Corporation	450	0	0	450
18	Yukon Housing Corporation	14,095	0	(2,100)	11,995
Total Expenditures		230,764	0	(39,126)	191,638

CAPITAL
RECOVERY SUMMARY BY DEPARTMENT / CORPORATION
($000s)

VOTE	DEPARTMENT / CORPORATION	2006-07 VOTED TO DATE	CHANGE	2006-07 REVISED VOTE
01	Yukon Legislative Assembly	0	0	0
24	Elections Office	0	0	0
23	Office of the Ombudsman	0	0	0
02	Executive Council Office	0	0	0
51	Community Services	28,486	(11,374)	17,112
07	Economic Development	1,475	(58)	1,417
03	Education	311	(42)	269
53	Energy, Mines and Resources	1,030	(667)	363
52	Environment	0	0	0
12	Finance	250	(250)	0
15	Health and Social Services	190	98	288
55	Highways and Public Works	48,997	(1,621)	47,376
08	Justice	10	7	17
10	Public Service Commission	0	0	0
54	Tourism and Culture	434	(16)	418
11	Women's Directorate	0	0	0
22	Yukon Development Corporation	0	0	0
18	Yukon Housing Corporation	11,862	(1,764)	10,098
Total Recoveries		93,045	(15,687)	77,358

TAXES AND GENERAL REVENUES
SUMMARY BY SOURCE
($000s)

	2006-07 VOTED TO DATE	CHANGE	2006-07 REVISED VOTE
Tax Revenue			
Personal Income Tax	42,500	1,534	44,034
Corporate Income Tax	4,080	301	4,381
Property Tax	2,478	114	2,592
Grant-in-Lieu of Property Tax	143	0	143
Fuel Oil Tax - Diesel	2,660	205	2,865
Fuel Oil Tax - Other	3,752	(69)	3,683
Insurance Premium Tax	1,442	73	1,515
Tobacco Tax	6,699	279	6,978
Liquor Tax	2,883	138	3,021
Total Tax Revenue	66,637	2,575	69,212
Other Revenue			
Liquor Profit	5,856	387	6,243
Investment Income and Other Interest	7,216	799	8,015
Licences, Fees, Registrations and Permits:			
Motor Vehicle	3,770	8	3,778
Game and Campground	892	42	934
Business and Professional	1,935	291	2,226
Lands, Mines and Forestry	855	690	1,545
Other	893	181	1,074
Oil and Gas Resource Revenue	2,016	(239)	1,777
Land and Mineral Leases and Royalties	198	38	236
Fines	408	(3)	405
Gain on Sale of Land	126	1,661	1,787
Aviation Operations	661	111	772
Miscellaneous	101	480	581
Total Other Revenue	24,927	4,446	29,373
Total Taxes and General Revenues	91,564	7,021	98,585

Note: Restated Voted to Date to reflect disclosure of the Public Accounts.

TAXES AND GENERAL REVENUES
SUMMARY BY DEPARTMENT / CORPORATION
($000s)

VOTE	DEPARTMENT / CORPORATION	2006-07 VOTED TO DATE	CHANGE	2006-07 REVISED VOTE
01	Yukon Legislative Assembly	0	0	0
24	Elections Office	0	0	0
23	Office of the Ombudsman	0	0	0
02	Executive Council Office	15	413	428
51	Community Services	8,720	911	9,631
07	Economic Development	8	0	8
03	Education	27	(9)	18
53	Energy, Mines and Resources	3,225	1,722	4,947
52	Environment	892	43	935
12	Finance	68,163	3,208	71,371
15	Health and Social Services	42	11	53
55	Highways and Public Works	848	120	968
08	Justice	688	89	777
10	Public Service Commission	0	0	0
54	Tourism and Culture	197	(12)	185
11	Women's Directorate	0	0	0
22	Yukon Development Corporation	0	0	0
18	Yukon Housing Corporation	0	0	0
19	Yukon Liquor Corporation	8,739	525	9,264
Total Taxes and General Revenues		91,564	7,021	98,585

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COMMUNITY SERVICES

Yukon
Government

VOTE 51
DEPARTMENT OF COMMUNITY SERVICES

MINISTER

Hon. G. Hart

DEPUTY MINISTER

M. Tremblay

DEPARTMENTAL OBJECTIVES

- To promote sustainable healthy communities by supporting local governments, community organizations, and the volunteer sector; encouraging active living through sport and recreation; and directly providing community services, planning and zoning, property assessment and taxation, infrastructure and land development.
- To protect public safety through driver and vehicle programs; to provide community educational opportunities through public library programs; and to provide bilingual inquiry services to the public and Yukon government departments.
- To support the health, safety and protection of the public through programs such as the application of minimum building, electrical and mechanical codes; equitable and responsible employment practices; and orderly and accountable professional and commercial activity.
- To protect broad consumer interests through the provision of education, information and enforcement services.
- To assist and enable communities and people to protect themselves from the threat of wildland fire, structural fire and other emergencies or disasters, through the provision and administration of wildland fire, structural fire and emergency preparedness programs.
- To work in partnership with the Yukon Housing Corporation and the Yukon Liquor Corporation to support community development and facilitate the delivery of Territorial Agent services in Yukon communities.

FINANCIAL SUMMARY ($000s)	SUPPLEMENTARY NO. 3
Operation and Maintenance Expenditures	**82**

COMMUNITY SERVICES

DETAILS ($000s)	2006-07 VOTED TO DATE	SUPPLE-MENTARY NO. 3	2006-07 REVISED VOTE
OPERATION AND MAINTENANCE EXPENDITURES	55,143	**82**	55,225

Supplementary funding required due to increased cost of providing services to unincorporated communities.

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